

# PGI 217.7404-2 Price ceiling.

(1) The rationale for the not-to-exceed price will be documented and retained in the contract file. Examples of such supporting rationale include—

- (i) The Independent Government Cost Estimate;
- (ii) Price analysis based on prior buys; and
- (iii) The contractor's proposal.

(2) The maximum not-to-exceed price is the firm-fixed price for firm-fixed price contracts, the ceiling price for fixed-price incentive contracts, and the estimated cost and fee for cost-reimbursement contracts.

**Parent topic:** [PGI 217.7404 RESERVED](#)